

PosiGen Testimony to E&T Committee

March 5, 2019

Good afternoon, Mr. Chairmen, Ranking Members, and all the Members of the Committee. My name is Ben Healey, and I am an Executive Vice-President with PosiGen, the only solar company focused on serving low- and moderate-income homeowners and blue-collar communities.

PosiGen has operated in Connecticut since 2015, originally opening an office in Bridgeport and recently opening a second office in Hartford in 2018. We are currently considering opening a call center in the Northeast, and we hope that if the state's policy environment creates the right conditions, we can locate that center in Connecticut.

PosiGen's presence in Connecticut has created over 70 direct jobs with the company, but the company's story here is really one about customer savings. We focus on ensuring access to Solar for All. We have a leasing model that allows homeowners to go solar with no money down. We build on the utility companies' existing HES programs to provide energy efficiency upgrades to every customer who has room to improve the efficiency of comfort of their home, at no upfront cost. Taken together, we then provide a savings guaranty and aim to ensure that all of our customers save at least \$500 per year on their energy bills. Many of our customers save more than \$1,000 every year.

Because we are serving LMI and blue-collar homeowners, these are the people with the highest energy burdens, and those for whom the savings mean the most. Our customers use their savings for school supplies, for groceries, and for other essentials in a state with a high cost of living.

PosiGen's model in serving almost 2,000 homeowners in Connecticut, and growing fast, has been successful due to the existing net metering regime and a deep partnership with the Connecticut Green Bank.

The Green Bank has invested in PosiGen as a company, providing debt capital to allow us to grow here, while also providing an incentive under the Residential Solar Investment Program focused exclusively on serving LMI homeowners.

The combination of net metering and the LMI incentive has allowed PosiGen to ensure that every single one of our customers is saving money from day one. We are not a huge company, but with every one of our customers saving at least \$500 per year, we are already injecting \$20 million in savings into the state's economy over the life of our solar leases, just with our existing customer base. As we accelerate our growth in Connecticut, that figure will only expand in turn.

With our third-party ownership model, PosiGen passes the federal investment tax credit value through to our customers via low-cost leases, and we should all be interested in maximizing that pass-through while the ITC remains elevated over the next several years.

Thus, PosiGen recommends a specific set of policies to ensure Connecticut's continued success as a leader in the residential solar sector:

- Extend the Green Bank's Residential Solar Investment Program for another 100 MW, including with a specific mandate to continue its highly successful LMI incentive
- Given all the confusion / uncertainty with respect to the move away from net metering, reinstate net metering through at least the end of the ITC step-down period so as to maximize the federal benefits flowing into the state, under a policy regime that works for both customers and companies that are hoping to expand their footprint in Connecticut. Why disrupt what has worked so well so far?
- If the politics of restoring net metering are not viable, PosiGen would suggest the legislature mandate that any successor residential tariff language ensure comparable economics to homeowners as currently exists, stepping down over time as appropriate
 - o Further, such language should mandate that the tariff value can be passed through to TPOs to make the process simple for homeowners, especially those who cannot take the value of the ITC themselves and who benefit most meaningfully from low-cost leasing strategies like PosiGen's
- Regardless of whether the core strategy is net metering or tariff (and if the latter, we should certainly slow the phase-in until we have the technical capabilities to implement the policy!), Connecticut should maintain the Green Bank's leadership with respect to a specific LMI incentive, especially

given the extra costs of serving older homes that need more electrical and related work to be "solar ready"

- This is certainly appropriate public policy, so as to ensure that we can continue lowering energy burdens for those to whom it matters most

With that, let me conclude my remarks, and I would be happy to answer any questions the committee may have.